THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) and (b) In regard to the request for protecting the return on foreign equity from exchange rate fluctuation, the details shall be finalised by M/s. Enron Power Development Corporation with the Government of India.

(c) The cases are considered on merits by the Government. No discriminatory approach is adopted.

Cases received by BIFR under SICA

@@@@3426. SHRI IQBAL SINGH : Will the Minister of FINANCE be pleased to state :

(a) the number of cases received by BIFR under SICA during the last 3 years;

(b) how many cases have been disposed by the BIFR; and

(c) the number of cases pending with BIFR at present ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) The Board for Industrial and Financial Reconstruction (BIFR) has reported that, as on 28-02-1993, it has registered 1331 references under Section '5 of the Sick Industrial Companies (Special Provisions) Act, 1985 during the last three years.

(b) and (c) BIFR has disposed of 842 references and the remaining 489 are under process under the various provisions of the Act.

@@@@Previously Unstarred Question No. 2050, transferred from 11th March, 1993.

Weapons shipped to Bombay by ISI

@@@@@3427. SHRI P. UPENDRA : Will the Minister of FINANCE be pleased to state :

(a) whether a huge consignment of automatic weapons was recently shipped to Bombay by Inter Service Intelligence (ISI) of Pakistan; and

(b) if so, what action has been taken by Government to intercept the contraband and fire arms ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) Hon'ble Member is presumably referring to some Press reports indicating that Pakistan's Inter Services Intelligence has organised smuggling of arms into India with the help of some smuggling syndicates by effecting clandestine landings on the West Coast, especially in or around Bombay. However, available reports do not indicate such landings of firearms.

(b) Government has alerted the field formations and close coordination is being maintained among all the agencies concerned in the prevention and detection of such smuggling.

Application of Excise and Income Tax Laws in Arunachal Pradesh

3428. SHRI NIYODEK YONGGAM : Will the Minister of FINANCE be pleased to state :

(a) whether the excise and income tax laws are applicable in the State of Arunachal Pradesh;

(b) if so, what are the details thereof; and

(c) if not, what are the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) to (c) Excise and Income-tax laws are applicable in the State of Arunachal

@@@@@Previously Unstarred Question No. 2769, transferred from 17th March, 1993.

Pradesh as the Income-tax Act, 1961 and the Central Excises & Salt Act, 1944 extend to the whole of India.

Excise duty is leviable on all excisable goods other than salt which are produced or manufactured in India. Income-tax is chargeable on income as defined under Section-2 (24) read with Section-4 of Income tax Act, 1961.

For details, the copies of the said Acts may be referred to, which may be available in the library of the Parliament.

Equipment Prices

3429. DR. NAUNIHAL SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether Indian producers have paid highest prices for imported equipment in the world;

(b) whether it is a fact that cross-country comparisons for 1980 indicate that the price of equipment in India as the fourth highest among 100 developing countries;

(c) whether it is a fact that a part of India's high savings rate has, in the past, financed unnecessary expensive capital goods;

(d) whether Government are considering the availability of capital goods to the industry at internationally competitive prices without any quantitative restrictions for achieving growth performance; and

(e) if so, what are the details thereof

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) The prices of imported equipment paid by Indian producers in the past have been relatively more than paid by their counterparts in some other countries mainly on account of high import tariffs to protect the domestic industry.

(b) Domestic cost of production of equipments is relatively higher than some of the developing countries which are industrialising fast due to relative cost disadvantage on account of higher duties particularly import duties, obsolete technology, idle capacity, high cost of basic metals and chemicals, fuels and energy, high interest rates and regulatory industrial environment. All Indian equipments are, however, not more expensive. In some items of machine tools and equipments which are exported Indian equipments have a comparative advantage over other developing countries.

(c) There is no evidence to suggest that a part of the high savings rate has been used to finance unnecessary expensive capital goods.

(d) and (e) The economic reform measures in the spheres of trade and industry introduced by the Government since 1991 are aimed at making the Indian industry more competive both domestically and internationally. These measures would encourage efficiency, allow Indian producers to have access to imports at reasonable rates of duty and progressively integrate the Indian economy with the world economy. In pursuance of these objectives, the Budget proposals for 1993-94 seek drastic reduction in import tariffs in general and priority sectors in particular.

Payment of Claims by United India Insurance Company

3430. SHRI ANANT RAM JAISWAL : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that Hyderabad Division of United India Insurance Company Limited paid an amount of Rupees two crores on a claim by a spinning mill which did not have a valid insurance cover;

(b) if so, what action has been taken against the officers responsible for this lapse and whether steps have been taken to recover the amount so paid;

(c) what is the number of cases where the United India Insurance Company Limited, had approved and paid the claim without strictly following Section 64VB of Insurance Act, 1938; and